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Inside this Issue

- 2 Parallel Imports Defined
Government IT Tenders
- 3 Interconnection
Copyright Laws
- 4 Trade Shows
- 5 Local Companies
Look for Partners

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OZ ICT

Australian ICT Bulletin

U.S. Commercial Service, Australia

Welcome

To the Australian ICT Bulletin

This monthly publication contains useful business intelligence on the Australian IT market.

In this issue, you'll find information on:

- Parallel Imports in Focus,
- Local Copyright Law and Software
- Sony Gets Tough on Mod Chippers
- and much, much more!

For further information on the articles in this publication or on any aspect of the Australian ICT market, please contact:

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www.buyusa.gov/australia/

Parallel Imports Defined

Parallel importation means the importation for commercial purposes, without the authority of local copyright holder, of copyright material that is lawfully produced overseas.

Local law has traditionally allowed a copyright owner to control the importation of its products into Australia.

These laws have been amended over time as the Government deems that they allow copyright holders to exercise market control resulting in higher prices charged to Australian consumers.

The study also found that there was a lack of broadband usage in rural areas. In metropolitan areas -- 49 percent of small businesses utilized broadband, compared to rural areas with only 18 percent.

NSW Government Tenders

Video Conferencing Equipment and Services

https://tenders.nsw.gov.au/commerce/shared/rftdetail.cfm?p_id=2756&p_criteria=0301737

Expressions of Interest for Electronic Rostering Software for NSW Police Force

https://tenders.nsw.gov.au/commerce/shared/rftdetail.cfm?p_id=3007&p_criteria=0302098%20EOI

NSW Health Request for Tender for Electronic Health Record Project

<http://www.tenders.nsw.gov.au/health>

Did You Know?

Two years ago, 210,000 digital cameras and over 800,000 traditional film cameras were sold in Australia. By Christmas this year, the number of digital still cameras sold will have overtaken film for the first time. Analysts

predict that over 700,000 digital still cameras will be sold in 2003.

Parallel Imports of Software

The Federal Government recently amended the Copyright Act to permit the parallel importation of computer software products, (including computer games), books, periodical publications and sheet music. Schedule 1, which covers the importation of software (as well as electronic books, periodical publications in electronic form and sheet music in electronic form) has already been put into effect. Parallel importation of printed material is not yet allowed, a move to grant publishers time to make the necessary business practices and legal arrangements.

The parallel importation of feature films in electronic format that are over 20 minutes long is not allowed at present (see article further in Bulletin).

What Does This Mean for Local Consumers?

In real terms, the price of software has fallen as importers have access to bona fide authorized copies produced overseas.

However, it is doubtful that if parallel importers will provide the level of technical support that is offered by the official distributors.

Furthermore, official distributors are not obliged to provide to supply support to customers who have purchased products outside of their official channels.

Consumers also need to satisfy themselves that they have not purchased pirated materials under the guise of parallel imported products.

The study attributed the growth in notebook sales to the decline in notebook prices and an

increase in quality. Today, fully featured notebooks only cost marginally more than a desktop, making them attractive to small businesses. While in the corporate market, notebooks are increasing as IT departments modify their management systems in order to accommodate mobile computing. The study predicted the continuation of a trend away from traditional desktop business towards using notebooks.

HP led in the second quarter with a 19.3 percent share of the total Australian PC market. Dell claimed 11.4 percent of the market, IBM 7.5 percent and Acer captured 6.4 percent.

Local Internet Interconnection Rules

The four largest ISPs in the local market, Telstra Bigpond, Optus, MCI, and AAPT/connect exchange internet traffic with each other for free, but charge all other ISPs when information is downloaded from their networks. Smaller ISPs cannot charge the big four for outgoing traffic from their own networks. Many medium-sized ISPs such as Primus, have called for the rule to be changed, and the Australian Competition and Consumer (ACCC) is currently reviewing arrangements. The big four have suggested that it would be uneconomic to peer with other networks. Most of the local second-tier ISPs (iiNET, Internode, Pacific Internet, PowerTel, Primus, TPGi, and Ucomm0 have formed their own data exchanges, which means their customers can access sites hosted in the exchange without incurring download charges. At present, companies like Telstra charge its customers heavy download penalty fees.

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Internet to Test Copyright Laws

The Federal Government has called for a review of Australia's copyright legislation. This is on the back of the 2001 copyright amendment which was put into place to update antiquated legislation for a digital world populated with DVDs, game consoles and Internet music- swapping networks such as Napster. It is in fact, the music-swapping portals that have concerned the global entertainment industry heavyweights the most. They are now worried that the same swapping services could be made available for movies and computer games. The 2001 amendment left a large grey area in terms of how far copyright protection extended. Recently, criminal charges have been laid on individuals for music piracy (OZ IT Bulletin July 2003), and Sony has won a federal court ruling to ban chip modifications (see Page 6, this edition). However, now a review of the 2001 Copyright Amendment (Digital Agenda) Act is set to publicly debate the strengths and weaknesses of the Act. One area of contention is the level of liability that rests on Internet Service Providers shoulders for copyright infringement that is carried out by its customers. The Internet Industry Association of Australia (IAA) advocates for a statutory immunity for those ISPs that comply with an upcoming industry code of conduct. As many of you already know, in the United States, U.S. copyright holders can issue a takedown notice to ISPs if they believe that the ISP is hosting information that breaches copyright. No such legislation exists in Australia at present.

Public Forum debates commenced in Melbourne last week. Another is scheduled for Sydney in the near future, followed by an online discussion next month.

Trade Shows

Australian Mobile Telecommunications Association Conference

This Conference will discuss the future of the local mobile telecommunications industry and include key notes from Hutchison, Optus, and Federal Government executives.

Date: September 25 & 26

Location: Pyrmont Room, Sydney Convention & Exhibition Centre

Organizers: Association & Communications Events

Frequency: Annual

Tel: 61 2 9922 5609

Fax: 61 2 9922 5844

Web site: <http://www.acevents.com.au/amta>

3G in Oz

At present, the only company to offer 3G services in the local market is Hutchison Telecommunications, which is partly owned by Hong Kong giant, Hutchison Wampoa. The company has claimed to be investing US\$1.5 billion on 3G rollout in throughout Oz. It launched the service in Sydney and Melbourne in mid-April 2003, and July in Perth, Adelaide and Brisbane. Neither Telstra, Optus or Vodaphone are planning to rollout 3G services in the near future.

Attention: We would like to know if Oz IT is useful to you. If information from this newsletter leads to a sale of signing of an agreement, please let us know!

Cebit Australia 2004

Cebit is the premier IT event on the local calendar. IT and telecommunications products and services will be on display at next year's event. For information on exhibiting in the USA Pavilion contact duncan.archibald@mail.doc.gov

Date: May 4-6, 2004

Location: Sydney Exhibition Centre

Organizers: Hannover Fairs

Frequency: annual

Tel: 61 2 9280 3400

Fax: 61 2 9280 1977

www.cebitalia.com.au

Local Distys of Hardware

ACA Pacific Pty Ltd

PO Box 53

Carlton North VIC 3054

Tel: 61 3 9388 0477

Fax: 61 3 9388 1143

www.acapacific.com.au

HB Tan, Managing Director

ACA is a leading distributor of storage and imaging solutions in the Asia Pacific region. Partners include Veritas Software, Exabyte, Quantum, Hitachi Data Systems, Seagate, Imation, PowerQuest, Eastman Software, Doctrieve, ScanSoft and IMR.

BBF Components & Peripherals Pty Ltd

4 Nicole Close
Bayswater VIC 3153

Tel: 61 3 9761 4299

Fax 61 3 9761 4001

www.bbf.com.au

Michael Muscat, Managing Director

BBF is a leading distributor of computer components and peripherals to the reseller channel.

Partners include BenQ, Canon, Intel, LG, Maxtor, NetComm, Oki, Plector, Sola, Wisetek, and Accusys.

Local Call Centre Service Providers

[Stellar Call Centres](#)

[Salmat](#)

[Datacom](#)

[Kaz Group](#)

[Salesforce](#)

Want contact details for the principals of the abovementioned brokers of refurbished networking equipment?

No Problem!

Contact duncan.archibald@mail.doc.gov

Telecommunications Opportunity!

A local company that has the Australian rights to telecommunications technology allowing use of the power lines and power sockets to **access broadband internet and** make telephone calls has contacted us recently. The company is looking for a U.S. investor or company that would be interested in **using** the technology **to enter the Australian market. Due to its low cost and the availability of discounted backhaul from failed telcos, this could be a chance for a new entrant to claim a significant market share**

For more information contact
duncan.archibald@mail.doc.gov

Bulletin Board

Local Companies Looking for U.S. Technologies to Distribute in Oz

If you have products that may be of interest to these local companies, you can contact them directly. Alternatively, we can initiate discussions with these companies on your behalf. Just contact us, and we will provide the introductions. If you contact them directly, all we ask is that if you get success with these companies, in terms of distribution of your products, could you kindly let us know!

Wireless Products

Airloom Holdings Limited – contact Peter Venardos at peterv@airloom.com.au

Point Blank Pty Ltd – contact Mark Walker at mark.walker@pbmg.com.au

Marknet Pty Ltd – contact Tony Lim at tony.lim@marknet.com.au

General IT Products

Trojan Computers Pty Ltd – contact Ilias Gouletsas at ig@trojan.com.au

Fuji Xerox Australia Pty Ltd contact Malcolm Cartlidge at Malcolm.cartlidge@aus.xerox.com

Savant Corporation – contact Meyer Mussry at savant@savantcorporation.com.au, web: www.savantcorporation.com.au"

Networking Equipment

NMetrics Pty Ltd – contact Steve Urquhart at surquhart@nmetrics.com.au

Enterprise Solutions

DEV Solutions Pty Ltd – contact Dev Tripathi at dev@devsolutions.com.au

Ruggedized Computers

Velangani Pty Ltd – contact Paulose Doss at vptyl@rediffmail.com

Court Rules Against Mod Chippers

Sony Computer Entertainment has recently won an appeal in Australian courts to have the chipping of PlayStation consoles banned. Chipping allows customers to modify their PlayStation consoles to play imported game titles and back up copies of games, by the overriding of regional codes. This means that titles bought through legitimate channels in the U.S. and elsewhere, will be unplayable on local consoles.

Sony claims that it sought the court ruling to stop the illegitimate distribution of pirated material in the local market.

The court decision means that it is illegal to sell modification chips in the local market, although it is legal to own one.

The Australian Competition and Consumer Commission (ACCC), the local equivalent of the Federal Trade Commission, is against the findings, suggesting "regional coding is detrimental to consumers as it severely limits their choice, and in some cases, access to competitively priced goods". The Interactive Entertainment Association of Australia (IEEA), claims that the Australian computer game industry loses about US\$22 million each year through copyright infringement.

Did You Know?

Australian telecommunications giant, Telstra Corp. claims to have recently signed up its millionth residential dial-up customer. The company claims to be signing up 40,000 dial-up customers a month. There are reportedly 170,000 business dial-up customers, and a total of 1.42 million Internet customers, including broadband users.



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